

## **Program A: Medical Vendor Administration**

Program Authorization: R.S. 36:251; 46:976

### **Program Description**

The mission of the Medical Vendor Administration Program is to administer the Medicaid program and insure that operations are in accordance with federal and state statutes, rules and regulations.

The goals of Medical Vendor Administration Program are:

1. To process claims from Medicaid providers in accordance with state and federal regulations.
2. To process Medicaid applications within state and federal regulations.
3. To annually license and survey health care facilities providing services to Louisiana citizens.
4. To enroll and provide healthcare coverage for uninsured children.

The Medical Vendor Administration Program includes the following activities: Program Operations, Medicaid Management Information System, Rate Audit and Review, Eligibility Field Operations, Pharmacy Benefits Management, Eligibility Program Operations, Health Standards, Financial Management, Policy Development and Implementation, and Program Integrity.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2001-2002	ACT 13 2002-2003	EXISTING 2002-2003	CONTINUATION 2003-2004	RECOMMENDED 2003-2004	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$36,997,699	\$46,248,808	\$46,248,808	\$53,761,707	\$52,049,090	\$5,800,282
STATE GENERAL FUND BY:						
Interagency Transfers	9,359	125,000	125,000	0	302,146	177,146
Fees & Self-gen. Revenues	1,701,180	1,971,856	2,112,140	2,112,140	2,112,140	0
Statutory Dedications	0	7,241,004	7,241,004	1,950,000	1,950,000	(5,291,004)
Interim Emergency Board	99,658	0	0	0	0	0
FEDERAL FUNDS	92,216,019	107,261,779	107,810,863	109,309,927	107,889,678	78,815
TOTAL MEANS OF FINANCING	<b>\$131,023,915</b>	<b>\$162,848,447</b>	<b>\$163,537,815</b>	<b>\$167,133,774</b>	<b>\$164,303,054</b>	<b>\$765,239</b>
EXPENDITURES & REQUEST:						
Salaries	\$41,251,871	\$35,733,723	\$42,885,809	\$44,179,542	\$43,113,264	\$227,455
Other Compensation	708,625	1,012,481	894,811	894,811	894,811	0
Related Benefits	8,690,833	7,420,125	10,358,786	12,146,761	9,982,862	(375,924)
Total Operating Expenses	8,226,126	6,041,764	8,520,239	9,428,680	9,515,612	995,373
Professional Services	64,136,838	78,985,397	78,687,806	78,791,142	79,716,234	1,028,428
Total Other Charges	5,679,421	33,634,057	22,077,408	21,573,162	21,080,271	(997,137)
Total Acq. & Major Repairs	2,330,201	20,900	20,900	119,676	0	(20,900)
UNALLOTTED	0	0	92,056	0	0	(92,056)
TOTAL EXPENDITURES AND REQUEST	<b>\$131,023,915</b>	<b>\$162,848,447</b>	<b>\$163,537,815</b>	<b>\$167,133,774</b>	<b>\$164,303,054</b>	<b>\$765,239</b>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	1,218	1,210	1,213	1,212	1,219	6
Unclassified	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,218</b>	<b>1,210</b>	<b>1,213</b>	<b>1,212</b>	<b>1,219</b>	<b>6</b>

## SOURCE OF FUNDING

The Medical Vendor Administration Program is funded with State General Fund, Interagency Transfers, Fees and Self-generated Revenues, Statutory Dedications, and Federal Funds. There is an Interagency Transfer from Medical Vendor Payments. Fees & Self-generated Revenues are derived from licensing and certification fees, third party liability collections and miscellaneous collections, such as copies. Statutory Dedications for the recommended year represent funding received from: The Medicaid School-Based Administrative Claiming Trust Fund for costs incurred by public schools for administrative outreach provided by school districts. (Per R.S. 39:36B.(8), see table below for a listing of expenditures out of each statutory dedicated fund.) Federal Funds represent the federal share of the cost to administer the Medicaid program.

	<b>ACTUAL</b>	<b>ACT 13</b>	<b>EXISTING</b>	<b>CONTINUATION</b>	<b>RECOMMENDED</b>	<b>RECOMMENDED</b>
	<b>2001-2002</b>	<b>2002-2003</b>	<b>2002-2003</b>	<b>2003-2004</b>	<b>2003-2004</b>	<b>OVER/(UNDER)</b>
						<b>EXISTING</b>
Medicaid School-Based Administrative Claiming Trust Fund	\$0	\$1,950,000	\$1,950,000	\$1,950,000	\$1,950,000	\$0
Health Care Facility Fund	\$0	\$16,000	\$16,000	\$0	\$0	(\$16,000)
Deficit Elimination/Capital Outlay Escrow Replenishment Fund	\$0	\$314,439	\$314,439	\$0	\$0	(\$314,439)
Medicaid Trust Fund for the Elderly	\$0	\$525,000	\$525,000	\$0	\$0	(\$525,000)
Louisiana Medical Assistance Trust Fund	\$0	\$4,435,565	\$4,435,565	\$0	\$0	(\$4,435,565)

## MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
<b>\$46,248,808</b>	<b>\$162,848,447</b>	<b>1,210</b>	<b>ACT 13 FISCAL YEAR 2002-2003</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$408,800	0	Carry forward of Federal Funds from prior fiscal year
\$0	\$280,568	2	Robert Wood Johnson Foundation Grant
\$0	\$0	3	Transfer of Positions from OMH, OPH, and OCDD (1 each)
\$0	\$0	(2)	Position Reduction due to Act 844 Early Retirement
<b>\$46,248,808</b>	<b>\$163,537,815</b>	<b>1,213</b>	<b>EXISTING OPERATING BUDGET - December 2, 2002</b>
\$394,305	\$788,610	0	Annualization of FY 2002-2003 Classified State Employees Merit Increase
\$1,635	\$3,269	0	Risk Management Adjustment
(\$10,450)	(\$20,900)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$408,800)	0	Non-Recurring Carry Forwards
(\$14,171)	(\$28,342)	0	Rent in State-Owned Buildings
\$238	\$476	0	Maintenance of State-Owned Buildings
\$26,989	\$53,977	0	UPS Fees
\$684,003	\$1,368,005	0	Salary Base Adjustment
(\$1,550,230)	(\$3,100,460)	0	Attrition Adjustment
(\$340,913)	(\$681,825)	0	Salary Funding from Other Line Items
\$419,174	\$838,348	0	Group Insurance Adjustment
(\$653)	(\$1,306)	0	Civil Service Fees
(\$35,194)	(\$35,194)	(1)	Other Annualizations - Reduction of 1 position due to early retirement under Act 844 of 2001
\$32,053	\$64,105	0	Other Annualizations - Annualization of increase in income limit for pregnant women to 200% of the Federal Poverty Level
\$244,068	\$488,136	0	Other Annualizations - Annualization of expenditures for the development and implementation of a new reimbursement system for Intermediate Care Facilities for the Mentally Retarded (ICF/MR) using resident assessments
\$0	(\$628,878)	0	Other Non-Recurring Adjustments - Prior year premium adjustment from the Deficit Elimination Fund
\$0	(\$16,000)	0	Other Non-Recurring Adjustments - Removal of funding for the Health Care Facility Fund, due to its repeal by the Legislature
\$0	(\$500,000)	0	Other Non-Recurring Adjustments - Removal of funding for the Pharmaceuticals and Therapeutic Committee
(\$46,028)	(\$92,056)	0	Other Non-Recurring Adjustments - Removal of Unallotted expenditures at EOB due to early retirements under Act 844
\$151,075	\$302,150	7	Other Adjustment - Addition of 7 positions for the administration of the CommunityCARE program
\$3,954	\$7,908	0	Other Adjustments - Increase in CPTP fees

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## MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$12,000	\$24,000	0	Other Adjustments - Rate increase for audit contract per terms of the contract
\$233,828	\$467,656	0	Other Adjustments - Office of Information Technology recommended purchases of personal computers, laptops and printers through the Louisiana Equipment Acquisition Fund (LEAF)
\$634,034	\$1,872,360	0	Other Adjustments - Funding for increased needs in Operating Services and Professional Services
\$4,960,565	\$0	0	Net Means Of Financing Substitutions - Increase in State General Fund to replace carryforwards in Act 13 of 2002 of \$4,435,565 in the Louisiana Medical Assistance Trust Fund and \$525,000 in the Medicaid Trust Fund for the Elderly
<b>\$52,049,090</b>	<b>\$164,303,054</b>	<b>1,219</b>	<b>TOTAL RECOMMENDED</b>
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$52,049,090</b>	<b>\$164,303,054</b>	<b>1,219</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2003-2004</b>
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
<b>\$52,049,090</b>	<b>\$164,303,054</b>	<b>1,219</b>	<b>GRAND TOTAL RECOMMENDED</b>

## PROFESSIONAL SERVICES

\$1,129,000	Audits of Title XIX Reimbursement to Hospitals
\$1,946,948	Audits of Title XIX Reimbursement to Long-term Care Facilities
\$3,120,935	Audits of Title XIX Reimbursement to Pharmacy Providers
\$381,250	Audit Consultant for the Individual Client Assessment Profiles (ICAP) assessment
\$242,835	Various services, including codification of rules, Eligibility Medical Examinations, physician determinations of disability, maintenance of provider manuals, planning for the Health Insurance Portability and Accountability Act (HIPAA) compliance, CommunityCARE advertising, and LaCHIP Outreach for non-English populations
\$1,481,250	Technical assistance to define and develop a federally certified Medicaid Management Information System (MMIS)
\$52,324,115	Fiscal Intermediary Contract
\$100,000	Development of modules for direct service providers and stakeholders about Home and Community Based Services to provide training
\$1,500,000	Re-establish inpatient hospital rates (Re-basing)
\$5,046,612	KIDMED (EPSDT) and CommunityCARE management contract
\$2,963,337	Long Term Care admissions, level of care and utilization review (psychiatrists, psychologists and physicians) and initial interview process
\$133,320	Training, public education and analytic support regarding the Medicaid Buy-In program, as well as other technical training and workshops and programmers to maintain the programs on the Health Standards mainframe
\$2,033,484	Provision of Title XIX, non-emergency, non-ambulance medical transportation for Medicaid patients
\$139,073	Nurse Aide Registry from the Board of Examiners for Nursing Facility Administrators
\$300,000	Nursing Home Nurse Aide staff training
\$533,333	Nursing Home case mix design and development
\$405,000	Pharmacy prescribing and dispensing practice patterns study
\$3,003,930	Prior Authorization and Formulary services
\$112,308	Various services, including accounting, psychological, transportation, and statistical for Medicaid administration
\$483,066	Desk review of school boards participating in the School-based Administrative Claiming Program
\$585,514	Third Party Liability collections process development and implementation
\$103,267	Upper Payment Limit calculations to nursing facilities
\$1,647,657	Maintenance and support services for the Medicaid Eligibility Data System (MEDS)
<b>\$79,716,234</b>	<b>TOTAL PROFESSIONAL SERVICES</b>

## OTHER CHARGES

### Other Charges:

\$148,297	Reimbursement to the over 400 Medicaid Enrollment Centers statewide at the current rate of \$14 per completed application
\$110,891	Social Security Administration field offices for Supplemental Security Income (SSI) assignment of rights and TPL information collection
\$80,165	IRS Computer Matching Agreement - provides tax information on unearned income to help in administering the Title XIX program
\$500,000	Federal grant program to support State efforts to enhance employment options for people with disabilities
\$735,528	Monitoring of the Medicaid Administrative Claiming (MAC) program; including desk reviews and on-site audits of records related to the MAC program.
\$80,000	Nurse Aide Testing to determine competency skills for certification
\$135,337	In-state training to keep employees advised of current federal regulations, mandates and changes in protocols
\$118,077	Out-of-state training to keep employees advised of current federal regulations, mandates and changes in protocols

### **\$1,908,295 SUB-TOTAL OTHER CHARGES**

### Interagency Transfers:

\$1,395,631	Department of Social Services - Statewide Co-Housing of staff with the Office of Family Support staff
\$395,143	Office of Mental Health - Medicaid match for administrative functions for qualified Mental Health rehabilitation services delivered
\$35,000	Office of Public Health - Vital Records Registry for on-line access for the purpose of verifying eligibility determination for Medicaid
\$8,000,000	Local Education Agencies (LEA) - Medicaid match for administrative functions related to School Based Administrative Claiming services
\$3,918,566	University of Louisiana at Monroe - Pharmacy Program consultants
\$160,491	Department of Civil Service - Civil Service Fees
\$477,215	LSU School of Dentistry - Prior authorization requests for dental services, Complaint Resolution, and provision of dental expertise
\$26,261	LSU Division of Economic Development - Econometric modeling and support regarding the feasibility of a Medicaid Buy-In program
\$10,000	University of New Orleans - Translation of documents into Spanish and Vietnamese from English
\$2,100,000	University of New Orleans - Training, software development and technical support
\$240,000	State Fire Marshall - Life Safety Code surveys in health care facilities which are certified for Medicare and Medicaid
\$599,457	Bureau of Community Supports and Services - Medicaid match for administrative functions
\$29,696	Division of Administration - Forms management, postage and printing
\$286,413	Division of Administration - Payment of Risk Management premiums
\$123,823	Division of Administration - Payment for rent in State-owned buildings
\$11,421	Division of Administration - Payment for maintenance of State-owned buildings
\$65	Division of Administration - Subscription fees for the State Register for purchase of publications
\$53,977	Division of Administration - UPS Fees
\$16,715	Division of Administration - Comprehensive Public Training Program (CPTP) Fees
\$312,500	Division of Administration - LEAF program for the first year of a three year plan for the purchase of new PC's and Laptop Computers

**OTHER CHARGES**

\$155,156	Division of Administration - LEAF program for the first year of a three year plan for the purchase of new Desktop and Network Printers
\$150,000	Office of the Secretary (DHH) - Governor's Program on Physical Fitness
\$1,103	Division of Administration - Payments to the State Register for publication fees to publish new licensing standards
\$113,000	Department of Education - Leadership, coordination and technical assistance for school health activities, in regard to LaCHIP
\$60	Secretary of State - Purchase of file boxes for storage of record from the State Archives
\$34,256	Department of Social Services - Purchase from the DSS warehouse
\$217,747	Office of Public Health - Purchase and distribution of Influenza vaccines for extended care facilities residents
\$54,000	Office of Public Health - Purchase and distribution of Pneumonia vaccines for extended care facilities residents
\$254,280	Office of Public Health - Purchase and distribution of Hepatitis B vaccines to extended care facilities employees who work with residents
<b>\$19,171,976</b>	<b>SUB-TOTAL INTERAGENCY TRANSFERS</b>
<b>\$21,080,271</b>	<b>TOTAL OTHER CHARGES</b>



## **ACQUISITIONS AND MAJOR REPAIRS**

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2003-2004.